

REMARKS

Claims 1-24 and 45-50 are presently pending. The Office Action mailed 12-23-09 rejects Claims 1-24 and 45-50. By this Amendment, Applicant further argues in favor of the rejected claims. Applicant has concurrently filed a second Request for Continued Examination (RCE).

OBJECTION TO FINALITY OF THE OFFICE ACTION

The above-identified Office Action (present Office Action) was declared final. Applicant maintains that a final rejection is only appropriate after a clear issue has been developed between the Examiner and Applicant. However, since a clear issue has certainly not developed, as evidenced by the arguments set forth below, the present Office Action should not be final. For example, Examiner has erred in concluding that Applicant has not claimed certain features, i.e., retrieval of a PIN (e.g., see Office Action, p. 9, last paragraph, and see Claim 2). This error certainly negates any suggestion that a clear issue has developed. Furthermore, many additional arguments/points made by Applicant have not been specifically addressed by Examiner, and no issue could have developed with respect to these points, as discussed more fully below.

As clearly stated in MPEP 706.07 regarding the finality of an Office Action,

"Before final rejection is in order a clear issue should be developed between the examiner and applicant." (Emphasis added.)

If the finality of the present Office Action is withdrawn, Applicant respectfully requests that the concurrently filed RCE not be filed and that Applicant not be charged for the filing of the RCE.

BACKGROUND

The prior art generally teaches a system for making payments via a special biometric account set up at a financial institution, i.e., bank. The prior art fails to teach, disclose, or suggest a system whereby existing credit card numbers (i.e., preexisting card numbers as recited in Claim 1) can be used. Certainly significant advantages would be obtained if users could keep their existing credit cards; if the users need not apply for new special accounts; if the clearing house infrastructure need not be changed. Why has the prior art failed to teach a system whereby existing card numbers and accounts can be used? The prior art fails to anticipate the unobvious fundamental idea of using biometric information to retrieve preexisting credit card numbers to a charging terminal for the purposes thereafter of making a charge, as claimed and taught by Applicant.

The advantages afforded by the invention as claimed are not limited to obviating the need to modify existing infrastructure or obviating the need to obtain additional approval from banks, clearing houses, etc. for implementation of a biometric charging system. Additional advantages arise from enabling a user to directly access and modify a database that controls how existing card numbers are automatically retrieved to a charging terminal. Contrary to the Examiner's position, the prior art fails to teach, disclose, or suggest a database that is directly user modifiable or editable, and this was admitted by the previous Examiner (Steven S. Paik) in an interview between Applicant and the previous Examiner, as discussed below. Instead, a financial institution must modify the databases of the cited art. The significant advantages afforded by the invention as claimed certainly negate any suggestion that the invention as claimed is obvious.

RESPONSES TO EXAMINER'S RESPONSES TO APPLICANT'S ARGUMENTS

Beginning on pages 8-9 of the present Office Action, Examiner makes several arguments against Applicant's positions. Applicant addresses these arguments below.

Examiner argues, for example (e.g., see page 9, last ¶ of the Office Action) that "...it is noted that the features upon which applicant relies (i.e., retrieval of a PIN) are not recited in

the rejected claims(s).” This position is certainly in error. For example, see Claim 2, which specifically recites retrieval of a PIN.

Examiner appears to circumvent application of 35 USC 112, ¶6 by suggesting that limitations from the specification are not read into the claims (e.g., see page 9, last ¶ of the Office Action). However, Applicant is not suggesting that limitations be read into the claims per se, but Applicant is suggesting that applicable law and well established methodology be applied when examining the means-plus-function claims. In particular, Applicant notes that, as forcefully stated in *Intel Corp. v. United States Int'l Trade Comm.*, 946 F.2d 821, 842, 20 USPQ2d 1161, 1179 (Fed. Cir. 1991):

“It is not necessary to consider the prior art in applying section 112, paragraph 6. Even if the prior art discloses the same or an equivalent structure [as claimed], the claim will not be limited in scope thereby. It is only necessary to determine what is an equivalent to the structure disclosed in the specification which is performing the function at issue.” (Emphasis added, and comment added in brackets.)

None of the art of record teaches, discloses, or suggests equivalent structure supporting Applicant's claimed means-plus-function language.

Furthermore, as per *In re Donaldson Co., Inc.*, 16 F.3d 1189, 1193, 29 USPQ2d 1845, 1849 (Fed. Cir. 1994):

“Of course, in the context of a means-plus-function claim, the invalidating prior art must disclose not simply a means for achieving the desired function, but rather the particular structure recited in the written description corresponding to that function....” (Emphasis added.)

Again, the cited art fails to anticipate or suggest structure that is equivalent to the structure cited in the present Application in support of Applicant's means-plus-function language. Applicant's position is consistent with *Hartness Int'l, Inc. v. Simplimatic Eng'g*

Co., 819 F.2d 1100, 1108, 2 USPQ2d 1826, 1832 (Fed. Cir. 1987) ("The inquiry is not whether each element existed in the prior art, but whether the prior art made obvious the invention as a whole . . ."); *In re Durden*, 763 F.2d 1406, 1410, 226 USPQ 359, 367 (Fed. Cir. 1985).

Examiner suggests that Waters discloses a "separate database" because the database of Waters teaches a database to store biometric information. However, Examiner fails to explain how the database of Waters is separate from a bank or clearing house (called a merchant payment host in Waters). Certainly, even if the database were remotely positioned with respect to a bank or clearinghouse in Waters, it would not be separate therefrom, as direct communications between the bank or clearing house and the database are needed, unlike the invention as taught or claimed by Applicant. Furthermore, nowhere does Waters or Mitchell teach that the database is directly user-modifiable or editable as claimed. Accessibility does not imply editability.

Examiner suggests that Applicant is incorrect when suggesting that the payment device of Waters does not initiate a transaction in response to retrieval of a card number to a charging terminal, since the payment transaction starts at the Point-Of-Sale (POS) terminal having a payment device.

However, Examiner addresses a different point than the one made by Applicant. Instead, Applicant's position is that a transaction is not initiated by the charging terminal in response to receipt of a card number from the database (or first means) as claimed. Neither Mitchell nor Waters wait for retrieval of a card number to a charging terminal to initiate a charge by forwarding the charge number from the charging terminal to the clearing house or network. Note that providing biometric information at a point-of-sale does not constitute initiating a charge, since if an appropriate charge number is not provided to the clearing house or equivalent, the charging process is not initiated by the clearing house. The charging process, i.e., funds-transfer process, is not initiated until clearing-house functionality or equivalent is invoked.

Clearly, the language of the Claims, including Claim 1, necessitates that the term "initiating" does not mean beginning a transaction at a charging terminal by submitting to a scan, as Examiner purportedly interprets "initiating" to mean. Instead, the term "initiating"

(the meaning of which must be derived from the Specification and pleadings of record), essentially means beginning/starting invocation of the charging functionality provided by the clearing-house (or equivalent). This should be clear from the language of Claim 1 alone.

Note that Applicant may act as his own lexicographer and supply, implicitly or explicitly, new meanings for terms, and that the courts look to the written description and the prosecution history to determine proper meanings of terms and proper patent claim construction, as forcefully stated, for example, in *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979-80, 34 USPQ2d 1321, 1330 (Fed. Cir. 1995).

Applicant further notes that claim language and terms are not “interpreted in a vacuum, but are part of and are read in light of the specification.” *Slimfold Mfg. Co. v. Kinkead Indus., Inc.*, 810 F.2d 1113, 1116, 1 USPQ2d 1563, 1566 (Fed. Cir. 1987). See also 37 CFR § 41.200(b), which also suggests that claims are interpreted “in light of the Specification” (e.g., 37 CFR § 41.200(b)).

Accordingly, Examiner’s argument is moot in light of the meaning of the term “initiating” and further in view of the fact that neither Mitchell nor Waters teach initiating a transaction from a charging terminal in response to receipt (by the charging terminal) of a signal from a first means or database, where the signal includes an account number used to thereafter make a charge. Furthermore, the infrastructure in Mitchell and Waters would not represent preexisting infrastructure as claimed, rather modified charging infrastructure, which has been modified to handle biometric information. This is highly problematic and disadvantageous for the reasons set forth above and for the reasons elaborated upon in Applicant’s previously filed amendments. These problems are clearly overcome by the invention as claimed and taught by Applicant.

Examiner suggests that Applicant is incorrect when suggesting that the databases of Mitchell and Waters are not user modifiable, since Mitchell teaches a means for selecting a particular account according to biometric information. However, the mere selection of an account from a database via biometric information in no way teaches, discloses, or suggests a mechanism to enable a user to directly modify a database. Merely selectively accessing information in a database in no way suggests user modification of a database, and neither

Mitchell nor Waters explain or teach any structure or mechanism that would enable direct database modifications by a user as claimed.

Examiner suggests (p. 8, ¶4 of the Office Action) that Applicant is incorrect in suggesting that neither Waters nor Mitchell disclose providing an account number to a POS device for the purposes of charging an account via the POS device. In particular, Examiner suggests that Mitchell teaches a charging terminal for charging an account number corresponding to a fingerprint and that Waters teaches the payment device for initiating a financial transaction.

However, Applicant respectfully disagrees with Examiner's position and the other positions set forth above. For example, nowhere does Mitchell even teach retrieval of a card number to a charging terminal (this must have been merely assumed by Examiner), let alone initiating charging the account number via the charging terminal in response to receipt of the card number, let alone using preexisting (or otherwise unmodified for use with the charging mechanisms) infrastructure. The mere existence of an EFTPOS terminal for charging an account number in Mitchell in no way suggests retrieval of an account number thereto. At most, Mitchell shows use of biometric input that is forwarded to infrastructure for charging; not forwarded to the POS device for charging. Biometric input and preexisting credit card numbers are entirely different, regardless of whether or not they are associated.

Regarding Waters, merely because Waters purports to show a payment device for initiating a financial transaction, this does not mean that Waters shows a POS payment device whereby biometric information is used to retrieve a preexisting card number thereto for charging via preexisting infrastructure. Furthermore, as set forth above, Applicant notes that Examiner may be applying a different meaning to the term "*initiating* charging said account" (e.g., see Claim 1) than the meaning afforded by Applicant as implicitly or explicitly suggested by Applicant's specification, claims, or writings of record.

ADDITIONAL ARGUMENTS

Below, Applicant addresses certain points made in the present Office Action. Applicant has not specifically argued against all of the rejections, the remainder of which

should be moot in light of the current amendments and the reasons set forth herein. In addition, certain arguments that are not addressed below are addressed more fully in Applicant's previous amendments, which are incorporated herein by reference.

Regarding Claim 1, none of the prior art discloses or suggests selective retrieval of one or more preexisting credit card numbers (e.g., not special biometric account numbers) to a charging terminal for the purposes thereafter of initiating a charge, such as via a clearing house or other preexisting infrastructure, as claimed.

Mitchell teaches at most the transfer of biometric information from a charging terminal, and Mitchell certainly does not teach retrieval of a number back to the terminal. Mitchell employs an entirely different methodology and structure than that claimed. Note that Mitchell requires the clearing house to be capable of using the biometric information to begin the funds transfer process (e.g., see p. 2, [0023] of Mitchell, whereby the disclosed database is part of the clearing house). Note that such clearing-house modifications, which are highly problematic (as discussed in Applicant's previous amendments), are entirely unnecessary if the functionality as claimed is employed. This suggests that the invention as claimed is neither suggested by nor is obvious in view of Mitchell.

Waters teaches at most transfer of account information back to a charging terminal for account authorization purposes and thereafter uses the database (not the payment device) thereof to start the process of charging an account via a clearing house, i.e., to begin/initiate invoking clearing house (called a payment host in Waters) charging functionality (e.g., see p. 2, [0010], last quarter of the paragraph). Furthermore, note that the database 24 of Waters is coupled to the merchant payment host 20 (Fig. 1 of Waters) and is not independent thereof (e.g., as claimed in Claim 24).

Regarding Claim 2, certainly neither Mitchell nor Waters disclose retrieval of a PIN to a charging terminal as claimed. Examiner has not specifically set forth an applicable rejection to this recited limitation.

Regarding Claim 3, Mitchell and Waters fail to disclose a user-modifiable database and at most show a database that is merely accessible by the charging infrastructure of Mitchell or Waters. Accessibility is entirely different than modifiability. Examiner has not

explained how any database of Mitchell or Waters could be directly modified by a user, such as via the Internet (--see also Claim 10)

Regarding Claim 5, note that neither Mitchell nor Waters teach that a highest priority account from plural accounts of the user is automatically selected by the database. At most a user would be required to manually select from a list of available accounts, and manual selection does not constitute automatic selection. Examiner has not specifically addressed this point. Mitchell and Waters fail to disclose any means whereby a user can control a database, let alone a means for enabling a user to control database prioritization rules, let alone a means for automatically selecting from plural accounts via the prioritization rules. Mitchell teaches at most manual user-selection of an account from a list; not automatic selection (e.g., see p. 3, [0049] of Mitchell) from previously prioritized accounts.

Recall that a user cannot be part of a means for rejection of the Claims. *In re Prater*, 415 F.2d 1393, 1398 (CCPA 1969). See also *Default Proof Credit Card System, Inc. v. Home Depot U.S.A., Inc. et al.*, No. 05-1069 (Fed. Cir. 2005), where the Court determined that “ arguments that the structure corresponding to the ‘means for dispensing’ can entail human (or ‘merchant’) participation or a human being manually operating an apparatus, are equally misplaced.”

Note that manual selection of accounts at a POS device is disadvantageous; may delay shopping lines, and so on. Advantages of automatic selection as taught in the Application and as afforded by the invention as claimed are too significant for the invention to be considered obvious in view of the cited art.

Regarding Claims 12-14, Examiner suggests that it would be obvious in view of Kipp to further employ a checkout system for conducting an operator-unassisted checkout in addition to the payment management system of Mitchell/Waters for the purposes of minimizing manpower in a retail environment. However, this position is in error for the reasons set forth below.

Regarding Claim 14, nowhere does Kipp disclose disabling of anti-theft features of a tag as claimed, and Applicant finds no rejection in any Office Action applicable to this point. Note that the distress signal emitted by a tag of Kipp is not an anti-theft signal, but a distress signal that alerts an employee to a product that may, for example, require manual pricing (as

discussed in column 4, lines 39-48 of Kipp). Furthermore, the distress signal is only triggered after the tag is activated at the checkout. A thief is unlikely to pass a checkout line to activate a tag before exiting a merchant outlet. Examiner has not specifically addressed these points.

Regarding Claims 12-13, the motivation to combine the teachings of Kipp with Waters and Mitchell has apparently not come from the prior art. However, the motivation to combine the teachings for rejection of the claims must come from the prior art, as discussed more fully below. Examiner has not specifically addressed this point.

The prior art fails to teach or suggest unexpected benefits resulting from the combination of Kipp with the invention as claimed, such as the elimination of lines at points of sale; the elimination of the need to provide user input beyond submitting to a biometric scan. With an embodiment of the invention as claimed, a user may simply walk through an isle while glancing at an iris scanner or swiping a thumb scanner (and/or other) to effect purchase of products. This has the potential to eliminate lines. None of the art of record anticipates such benefits. Such benefits are of sufficient magnitude to suggest that the invention as claimed is unobvious. Surely, if the invention were obvious, it would be taught in the art due to the significant advantages afforded thereby.

In *In re Wiechert*, 370 F.2d 927, 152 USPQ 247 (CCPA 1967) a significant improvement over the related art was held sufficient to rebut prima facie obviousness based on close structural similarity. Similarly, in *In re Waymouth*, 499 F.2d 1273, 182 USPQ 290, 293 (CCPA 1974), the court held that unexpected/unanticipated results for a claimed range as compared with the range disclosed in the prior art had been shown by a demonstration of "a marked improvement, over the results achieved under other ratios, as to be classified as a difference in kind, rather than one of degree."

The present invention provides a marked improvement over the references cited or combinations thereof as detailed above and in Applicant's previous amendments. Examiner has not specifically addressed this point. Evidence of unexpected properties may be in the form of a direct or indirect comparison of the claimed invention with the closest prior art, as Applicant has presented above (e.g., see *In re Boesch*, 617 F.2d 272, 205 USPQ 215 (CCPA 1980) and MPEP 716.02(d) - 716.02(e)).

Furthermore, since the motivation to combine the teachings has not come from the prior art, rejection of the Claims based on the combination of Kipp with Mitchell and/or Waters is further in appropriate. Recall that as per *In re Sernaker*, 217 U.S.P.Q. 1, 6 (CAFC 1983), the art references themselves should suggest that they be combined for rejection of claims under 35 U.S.C. 103:

"[P]rior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings."

This is consistent with the Federal Circuit's suggestion test, which holds that new combinations of old elements (e.g., combinations of shock absorbing material, omission of a brace, and so on, with Wood) are not obvious unless there is made a specific showing of motivation, suggestion, or teaching to make the combination. *See Teleflex, Inc. v. KSR Int'l Co.*, 119 Fed. App. 282, 285 (Fed. Cir. 2005).

In addition, as forcefully stated, for example in *Heidelberger Druckmaschinen AG v. Hantscho Commercial Prods., Inc.*, 21 F.3d 1068, 1072, 30 USPQ2d 1377, 1379 (Fed. Cir. 1994), determination of obviousness cannot be based on the hindsight combination of components selectively culled from the prior art to fit the parameters of the patented invention. There must be a teaching or suggestion within the prior art to look to particular sources of information, to select particular elements, and to combine them in the way they were combined by the inventor. One of ordinary skill in the art would lack motivation (in view of the art as a whole) to make alterations proposed by the Office Action, and such modifications would not disclose or suggest the invention as claimed.

The notion that the prior art must provide a suggestion or motivation to make such a combination for rejection of the claims is further supported by *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 935, 15 USPQ2d 1321, 1324 (Fed. Cir. 1990) and *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143, 227 USPQ 543, 551 (Fed. Cir. 1985).

Note that none of the Office Actions appear to provide rejections responsive to Applicant's arguments pertaining to unexpected advantages and significant results arising from the invention as claimed. For an additional discussion regarding unexpected benefits and significant advantages, see Applicant's Amendment C, beginning on page 27 thereof.

Regarding Claims 8, 10, 15-24, 28, 49, nowhere does Mitchell, Waters, or any of the cited art teach a user-modifiable database, let alone a user-modifiable database that is remotely accessible for modification, via the Internet, to a user, let alone a means to authenticate a user before allowing the user to modify selection rules implemented by the database. Mitchell or Waters at most teach access to the databases thereof and do not allow direct user modification of any fields or rules associated therewith.

Note that neither Mitchell nor Waters teach a database that stores an account list that is editable by a user as claimed (e.g., see Claim 18). Note that the previous Examiner (Examiner Steven S. Paik) agreed in an interview of December 5, 2007 that the prior art does not disclose a user-modifiable database, although this part of the discussion may not have been made of record. However, this aspect of the interview is recorded in Applicant's notes/documentation of the interview.

Note that neither Mitchell nor Waters disclose or suggest a means for enabling a user to predetermine account-selection rules for accounts listed in a database (Claim 20) or a means, such as a computer, for enabling a user to modify information in the database (Claim 21).

Regarding Claim 24, neither Mitchell nor Waters disclose or suggest a database that operates independently from a clearing house or bank and that is located remotely therefrom. The databases of Mitchell and Waters either incorporate their respective databases in the clearing house or merchant payment host, or the databases are directly coupled thereto and interact therewith and are therefore not independent thereof. This is entirely unlike the invention as claimed, and furthermore, this results in significant disadvantages (as thoroughly discussed in Applicant's previous amendments), which are overcome by the invention as claimed. This negates any suggestion that the invention is obvious in view of Mitchell and/or Waters.

Regarding Claim 45, neither Mitchell nor Waters teach or suggest use of account information retrieved to a charging terminal to initiate a charge via the charging terminal, as claimed, where the term "initiating" means to activate/initiate clearing house functionality to begin the funds-transfer portion of the process, i.e., the charging process.

Mitchell discloses at most transfer of an acceptance/decline message back to the charging terminal. Mitchell clearly fails to teach transfer of any additional information back to the charging terminal, and Examiner has not specifically explained where Mitchell describes transfer of an account number back to the charging terminal thereof.

Waters teaches at most transfer of information (not specifically an account number) back to the charging terminal for authorization/authentication purposes or charge-notification purposes (e.g., see [0021], last half of the paragraph and [0022]); not to initiate a charge (e.g., activate clearing house functionality) via the charging terminal. The only data transferred back to the charging terminal of Water is an account message, such as an account unavailable message (Waters, [0022], first sentence) or a transaction-complete message (Waters, p. 2, [0023], last half of the paragraph). Certainly, Waters does not teach retrieval of a number to a charging terminal so that the charging terminal can charge an account (such as by using conventional processes) after the charging terminal receives the retrieved number as claimed.

Examiner has not specifically explained where Waters teaches that an error message or an account-unavailable message includes an account number that is forwarded to a POS device so that the POS device can use the account number to make/initiate a charge.

Accordingly, the invention as claimed is neither disclosed nor suggested by any of the art or record, taken alone or in combination.

Regarding Claims 47-48, as discussed above with respect to Claim 24, clearly none of the art of record teaches, discloses or suggests use of a database that does not communicate directly with a clearing house or equivalent, as claimed. Certainly, the database of Mitchell must communicate with a clearing house, because it is part of the clearing house (e.g., see p. 2, [0023] of Mitchell). Regarding Waters, the database thereof is managed by the clearing house (host 20) thereof, and obviously must communicate therewith (e.g., see Waters, p. 2, [0017], last quarter of the paragraph).

Recall that in Applicant's interview with the previous Examiner (Steven S. Paik), Examiner admitted that the databases shown in the art of record are at a different locations than the database of the invention as claimed, and furthermore, that the databases shown in the art of record are not directly user modifiable.

REQUEST PER MPEP 707.07(J)

Since the claims address novel matter that produces new, unexpected, not suggested, and unanticipated results as described above, Applicant submits that such claims are clearly patentable. Therefore, it is submitted that patentable subject matter is present. If Examiner agrees that Applicant has presented patentable material but does not feel that the present claims are technically adequate, Applicant respectfully requests that Examiner write acceptable claims or provide corresponding suggestions pursuant to MPEP 707.07(j).

CONCLUSION

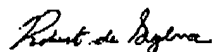
None of the references cited by Examiner taken alone or in combination teaches, discloses, or suggests the invention as presently claimed. For example, none of the references shows a system that can employ biometric information to automatically provide or send an account number to a charging terminal (**Claim 1**) (let alone initiate a charge in response thereto), or to automatically select and deliver an account number to a charging terminal in response to receipt of the biometric information (**Claim 3**).

Certainly, none of the references shows a system that can employ biometric information to automatically provide or send an account number to a charging terminal for subsequent initiation of a charge via the charging terminal (e.g., **Claims 1, 22, 45**). Furthermore, none of the references shows use of a user-modifiable database (e.g., **Claim 15**). In addition, none of the references shows a database that operates independently of clearing houses, hosts, or other financial institutions (**Claim 48**), and so on.

The present Application is believed to be in proper form for allowance. Accordingly, allowance, and passage to issue are respectfully requested.

I hereby certify that this correspondence is either being transmitted to the United States Patent and Trademark Office at 571-273-8300 or is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to Commissioner for Patents P.O. Box 1450, Alexandria, VA 22313-1450, on June 23, 2009.

Respectfully submitted,



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